

Non-Performing Loans

The Bank provides information about the status of its assets in three different ways. First, we conduct self assessment to calculate appropriate write-offs and reserves by classifying borrowers according to their financial soundness. Second, disclosure based on “The Financial Reconstruction Law” is used to classify prob-

lem assets. Third, we disclose the value of Risk-Monitored Loans based on the Banking Law, which excludes non-loan assets such as foreign exchange, accrued interest and advance payments.

Asset Self-Assessment / Assets Disclosed under the Financial Reconstruction Law / Risk-Monitored Loans under the Banking Law (as of March 31, 2016)

(Non-consolidated)

Billions of Yen

Asset Self-Assessment For all assets				
Borrower category Balances of credits	Classification			
	I	II	III	IV
Legally bankrupt borrowers 3.2 [0.9]	2.7	0.5	— (0.1)	— (2.3)
Virtually bankrupt borrowers 11.5 [6.0]	9.4	2.0	— (1.1)	— (5.5)
Potentially bankrupt borrowers 83.7	48.1	20.5	15.0 (18.3)	
Borrowers requiring caution				
Substandard borrowers 6.8	0.9	6.0		
Others*1 455.2	161.1	294.2		
Normal borrowers 3,426.4	3,426.4			
Total 3,986.9 [3,979.0]	3,648.6	323.2	15.0 (19.5)	— (7.8)

Assets disclosed under the Financial Reconstruction Law and coverage of the claims For all claims			
Classification Balances of claims	Portion of claims secured*2	Reserves	Coverage ratio
Bankrupt and quasi-bankrupt assets 14.7 [6.9]	5.6	9.0	100.0%
Doubtful assets 83.7	50.4	18.3	82.0%
Substandard loans*3 5.5	2.0	0.3	41.6%
Sub-total 103.8 [96.0]		27.6	82.4%
Normal assets 3,883.0		2.6% [2.4%]	
Total 3,986.9 [3,979.0]			

Risk-monitored loans Loans only (no other type of credit included)	
Classification	Loan balances
Bankrupt loans	3.1 [0.8]
Non-accrual loans	94.7 [89.2]
Past due loans (3 months or more)	0.0
Restructured loans	5.4
Total	103.4 [95.6]

Ratio of risk-monitored loans to total loans

Figures in brackets are those after application of partial charge-offs (direct deduction).

2.6%
[2.4%]

*1 Borrowers requiring caution, excluding substandard borrowers
*2 Portion of claims secured by collateral or guarantees

*3 Substandard claims consist of loans only.

Notes:

- Amounts in asset self-assessment and claims disclosed under the Financial Reconstruction Law and the coverage of claims are rounded to the nearest 100 million yen. Amounts in risk-monitored loans are rounded down to the nearest 100 million yen. Figures for ratios are rounded down to the first decimal place.
- All credit items = Loans + Customers' liabilities for acceptances and guarantees + Bonds issued through private placements covered by guarantees of the Bank + Foreign exchanges + Suspense payments with a similar nature to loans + Accrued interest.
- Amounts in asset self-assessment are those after deduction of specific reserves for possible loan losses, and the amounts in parentheses are specific reserves for each classification.
- The Bank does not implement partial charge-offs (direct deduction). If partial charge-offs were implemented, relevant figures would decline to the figures shown in brackets.